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C O N F I D E N T I A L SECTION 01 OF 03 BUCHAREST 001081

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SUBJECT: IRAQ PULLOUT PROPOSAL -- DEBATE DEEPENS, WHILE  
PRIME MINISTER CONSIDERS WAYS TO WALK IT BACK

REF: BUCHAREST 1072

Classified By: Classified by DCM Mark Taplin for Reasons 1.4(a), (b) and (d)

¶1. (C) Summary: The debate over Romania's troop presence in Iraq continued to dominate weekend news coverage, following the unexpected June 29 announcement by Prime Minister Tariceanu and Defense Minister Atanasiu in support of a pull-out. Foreign Minister Ungureanu and Finance Minister Vladescu -- who voted against the PM on the issue in a key Supreme Council for National Defense (CSAT) meeting on June 30 -- will keep their positions despite calls from Atanasiu for their dismissal. Although President Traian Basescu and others have continued to denounce the call for a pull out, a key advisor to the PM told post that Tariceanu seeks to put the issue behind him. Meanwhile, Embassy contacts report that Basescu is contemplating strategies for eventually removing Tariceanu from power, although this would not be expected until after a key European Commission report on Romania's EU accession is released in October. Several contacts predict that Basescu will eventually form an alliance with the leading opposition Social Democratic Party (PSD). Although the political conflict generated by the PM's proposal appears to have peaked, the public discussion launched over Romania's overseas deployments is likely to continue. End Summary.

¶2. (C) The fall-out from Prime Minister Tariceanu and Defense Minister Atanasiu's call for a troop withdrawal from Iraq remained the hot political topic in Bucharest, with politicians and pundits debating both the merits of the deployment as well as the domestic political consequences of the surprise announcement. The National Liberal Party (PNL) remained divided over the PM's call, but has taken steps to restore party unity. Several Embassy contacts asserted that this most recent crisis represented a low point for relations between Basescu and Tariceanu, with shock waves that will continue to reverberate within both the PNL and the governing coalition. Opinions varied as to the long term impact. Few believe the coalition will survive for another year.

A Liberal Party Armistice?

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¶3. (C) After a heated weekend of name calling and recriminations across all sectors of the political class, PNL leaders convened the morning of July 3 to try to seek party unity. PM and PNL leader Tariceanu told journalists following the session that the PNL leadership agreed Ungureanu and Vladescu behaved "regrettably" in opposing a pull out. Nonetheless, the PM continued, both men will retain their portfolios because they have "important things" to do,

including ongoing issues related to EU accession. The PM also confirmed that Ungureanu and Vladescu would not be subject to PNL internal discipline. Ungureanu stated after the meeting that he would remain as FM, underscoring that "any debate is welcome...but my point of view (on the issue of withdrawing troops) is nonnegotiable." The FM acknowledged, however, that the PNL has started a debate on this topic. Echoing remarks made by the PM last week, Tariceanu ally and PNL Vice President Senator Teodor Melescanu stressed that the PNL would launch a "public debate" including NGOs and PNL local branches on the advisability of maintaining troops in Iraq

¶4. (C) Meanwhile, Tariceanu's Chef de Cabinet, Mihnea Constantinescu, told DCM that the PM seeks to de-escalate the issue, which provoked a stronger reaction than he and his closest party advisors had anticipated. Constantinescu expressed hope that the July 3 meeting had released steam, such that the debate over the troop deployment could now take a calmer and more rational course. Constantinescu hoped PNL leaders would henceforth adopt a more moderate tone, although he lamented that Basescu had labeled the PNL move during a radio interview earlier in the day a "putsch against Romania." Constantinescu reiterated what post had heard before, that the PM moved to make the proposal because he was told Basescu was about to make a withdrawal announcement and wanted to preempt it. Constantinescu said he was shocked to turn on the television the morning of June 29 to see PM making announcement. He, along with others close to the PM, acknowledged that the way the matter was handled was disastrous. Constantinescu said the withdrawal idea had been raised by Atanasiu, then seconded by a narrow circle of PNL political insiders, including Chamber of Deputies Speaker Bogdan Olteanu. No one spoke up to highlight the downsides;

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the impulse to get the drop on Basescu was the sole focus.

¶5. (C) Constantinescu related that DefMin Atanasiu would have to remain in office for the time being. However, the PM may eventually look for a face-saving way to replace him in coming weeks or months, given the controversy his proposal has generated. The PM's staff wanted to ensure the practical defense and military cooperation work of the ministry could be maintained.

#### Basescu's Battle Plan

¶6. (C) Presidential Counselor for Domestic Policy Claudiu Saftoiu told PolChief July 3 that tensions between Basescu and Tariceanu had heated to a new level, and that the president was quietly mulling avenues for the PM's eventual replacement. He described the proposal for withdrawal from Iraq as "close to treason," an act that we could "only expect from our enemies." Saftoiu lamented that Romania's constitution does not allow the President to dismiss the PM, which makes for "many complications other parliamentary democracies do not face." Basescu is looking at "all the options," but it would "take time" before the president and the PD will be able to set a new course. Saftoiu said he and others in the PD were weighing the possibility of an eventual coalition with the PSD, although Basescu "is not fond of PSD leader Mircea Geoana." Saftoiu said Basescu is particularly impressed by PSD Senator and former MOD State Secretary George Maior. Saftoiu also confided that there were ideas for encouraging PNL members to replace Tariceanu, but he declined to provide details such a plan.

¶7. (C) Citing their disappointment with the "huge mistake by which the people's feelings were manipulated," Presidential Counselor Theodor Stolojan and five other prominent PNL members signed a June 30 statement strongly criticizing the PM for "violating" the terms of the PNL-PD governing alliance and for "triggering" a diplomatic and political incident. Other signatories included popular former Culture Minister

Mona Musca and former PNL President and ex-Justice Minister Valeriu Stoica. One of the signers, popular young PNL Deputy Cristian Boureanu, told PolMilOff that he was stunned and furious at the PM's call for a troop withdrawal from Iraq. He accused the PM of having an "unserious" approach to foreign policy and improperly using the subject of Romania's presence in Iraq as a gambit to gain domestic political leverage over Basescu. Nonetheless, several PNL insiders as well as politicians from other parties have told us that Tariceanu enjoys the support of most PNL leaders as well as the party's rank and file. Basescu advisor Saftoiu likewise has told Emboffs in the past that Tariceanu has the support of the PNL's regional leadership, and can likely ride out an internal leadership challenge.

#### A PSD Strategist Predicts a New Coalition

18. (C) Deputy Viorel Hrebenciuc, one of the center-left opposition Social Democratic Party's (PSD) chief strategists and president of the Parliamentary Commission for European Integration, told PolChief and PolMilOff July 3 that PNL leaders had privately confirmed to him that the PM's call for a troop withdrawal from Iraq had "clearly been aimed" at the President since the PM "wanted to stab Basescu". According to Hrebenciuc, "the President and Tariceanu don't talk with each other...and neither do the PD (Democratic Party, Basescu's Party) or the Liberal (PNL - the PM's party) MPs." He dismissed DefMin Atanasiu as a weak leader - "you can't compare him with Pascu (the former DefMin) or Maior." He suggested that the PM/DefMin call for a troop withdrawal had backfired. Acknowledging that many Romanians favor a pullout from Iraq, Hrebenciuc stressed that "most Romanians are not interested in this problem" but, at the same time, recognize the need to deal effectively with "Muslim terrorists."

19. (C) Hrebenciuc volunteered that the PSD "can talk with Basescu, we can work with him," a point he emphasized several times over the course of the 45 minute discussion. He continued that the PSD and PD, with support from the ethnic Hungarian party (UDMR) and the Parliament's 18 deputies from other minorities, would be able to force a no confidence vote, as early as this October ("after the EC report") or in February or March." Chuckling, Hrebenciuc continued that "we could create a big scandal" that would move forward a no confidence vote backed by PSD, PD, UDMR and the minority deputies. The PSD, Hrebenciuc stressed, could "deliver" to

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Basescu, successfully assuring the passage of key legislation, including pension reform laws. He stated that, in return for supporting a no-confidence vote and entering a coalition with the PD, the PSD would expect PSD Party President Mircea Geoana to be Prime Minister, with a PD member holding a Deputy PM slot. Hrebenciuc underscored that "16 or 17 of the PSD's top leaders" (including himself) had met over the weekend and reaffirmed their strong support for Geoana. The only potential obstacle to an eventual PSD-PD-UDMR coalition government Hrebenciuc suggested was the fact that "Basescu has strong feelings" of antipathy toward some UDMR leaders. Hrebenciuc, who was a key architect of the PSD-UDMR alliance under the former PSD-led government, suggested this hurdle could be overcome.

#### A Referendum? Not Likely

110. (C) Although both Basescu and Tariceanu have proposed a referendum on whether to keep Romanian troops in Iraq, few political insiders anticipate such a move any time soon. Tariceanu confidante and PNL Minister Delegate for EU funds Cristian David told PolChief it would take "at least a year" to negotiate the wording of such a referendum, much less to find resources for and to organize such a vote. Hrebenciuc dismissed calls for a referendum as "a populist ploy likely to go nowhere."

¶11. (C) Comment. Regardless of the PM's intentions, his June 29 proposal -- along with the ensuing political crisis -- has now placed Romania's presence in Iraq at the center of public debate. Several media outlets have published opinion polls showing public opposition troops in Iraq at around 60 percent. PNL politicians have promised a parliamentary debate on Romania's overseas troop commitments, which ironically have enjoyed until now broad-based support from all political parties except for the extreme nationalist Greater Romania Party of Vadim Tudor. While the Prime Minister's move has been criticized by many in the media as ham-handed and self-interested, the fact remains that it will put more political pressure on Basescu and his allies to further advance discussions on troop "reconfigurations" or adopt language to suggest that withdrawal timelines are in the works. While analysts expect a reversal in Romania's commitment to its strong strategic partnership with the U.S., the political logic vis a vis Romania's troop deployments has shifted somewhat towards what we have seen in other countries in the region. Over the weekend, one pundit memorably described the escalating feud between the President and PM as resembling the antics of cartoon characters Tom and Jerry. It appears doubtful that Tariceanu, a poshly dressed businessman who famously lacks the common touch, can come out better with numbers in the polls for this gambit, especially against a president who remains far ahead of any other political leader. However, it remains in our interest, in light of the PM's key role on other aspects of governmental policy, to keep the dialogue as positive and productive as possible, even as we quietly but firmly encourage him and his allies to put this particular genie back in the bottle. End comment.

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